



IMPERIAL BANK OF CANADA

SIXTY-FIRST
ANNUAL REPORT
PRESENTED TO THE
SHAREHOLDERS
NOVEMBER 27th
1935

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McGILL UNIVERSITY

Imperial Bank of Canada

Head Office: Toronto

Established 1875

CAPITAL AUTHORIZED	.	\$10,000,000.00
CAPITAL PAID UP	. . .	7,000,000.00
RESERVE FUND	. . .	8,000,000.00

Sixty-First Annual Report
1935

Imperial Bank of Canada

ESTABLISHED 1875

CAPITAL (AUTHORIZED) - - - - -	\$10,000,000.00
CAPITAL (PAID UP) - - - - -	7,000,000.00
RESERVE FUND - - - - -	8,000,000.00

DIRECTORS

FRANK A. ROLPH, PRESIDENT

COL. J. F. MICHIE, VICE-PRESIDENT		R. S. WALDIE, VICE-PRESIDENT	
G. C. HEINTZMAN	J. W. HOBBS	WALTER C. LAIDLAW	JOHN A. NORTHWAY
A. E. PHIPPS	G. H. AIKINS, K.C. (Winnipeg)	H. E. SELLERS (Winnipeg)	
R. O. McCULLOCH (Galt)		W. B. WOODS	

HEAD OFFICE, TORONTO

A. E. PHIPPS, GENERAL MANAGER
H. T. JAFFRAY, ASSISTANT GENERAL MANAGER
W. G. MORE, SECRETARY AND SUPERINTENDENT OF BRANCHES
G. D. RITCHIE, WESTERN SUPERINTENDENT (Winnipeg)
W. L. GILLILAND, ASSISTANT WESTERN SUPERINTENDENT (Winnipeg)

SUPERVISORS' DEPARTMENT

E. K. BOULTBEE, - - GENERAL SUPERVISOR

Supervisors

H. C. HOUSTON	B. E. HOWARD
I. K. JOHNSTON	P. H. JONES
A. YOUNG	R. M. VIRTUE (Winnipeg)

INSPECTORS' DEPARTMENT

A. L. OGDEN, CHIEF INSPECTOR
W. BOURKE, ASSISTANT CHIEF INSPECTOR

Inspectors

A. C. ROME	P. W. PAIN	H. RILEY
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BRANCHES

PROVINCE OF ONTARIO

TORONTO—

WELLINGTON & LEADER LANE (HEAD OFFICE).....	A. R. MARTIN.....	Manager
ADELAIDE & VICTORIA STS.....	E. N. BATE.....	Assistant
BATHURST & DUPONT STS.....	C. E. GREEN.....	"
BAY & TEMPERANCE STS.....	A. W. BARLOW.....	"
BLOOR & BATHURST STS.....	E. J. CASE.....	"
BLOOR & DURIE STS.....	K. G. MIGHT.....	"
BLOOR ST. & LANSLOW AVE.....	J. S. CARTER.....	"
No. 78 CHURCH ST.....	R. R. BROWN.....	"
CHURCH & CARLTON STS.....	W. H. GREEN.....	"
DANFORTH & CARLAW AVES.....	F. TURNER.....	"
DUNDAS & BLOOR STS.....	D. N. WRIGHT.....	"
DUNDAS & JARVIS STS.....	S. S. JONES.....	"
DUNDAS ST. & UNIVERSITY AVE.....	A. T. SMITH.....	"
DUNDAS & VICTORIA STS.....	D. G. P. FORBES.....	"
EGGLINTON AVE. & MOUNT PLEASANT ROAD.....	A. H. WEAVER.....	"
KING & BAY STS.....	B. B. VALE.....	"
KING & MARKET STS.....	A. H. SEGUIN.....	"
KING & SHERBOURNE STS.....	J. S. PROCTOR.....	Assistant
KING ST. & SPADINA AVE.....	H. A. INGLIS.....	"
KING & YORK STS.....	O. L. METTLER.....	"
KINGSTON ROAD & BALSAM AVE.....	W. H. COCHILL.....	"
LEASIDE.....	E. H. ANDERSON.....	"
MONARCH PARK & DANFORTH AVES.....	J. B. ATKINS.....	"
	H. G. WATERS.....	"
	H. T. BEATY.....	"

TORONTO—(Cont.)

NEW TORONTO.....	P. E. THOMLINSON.....	Manager
OAKWOOD AVE. & ROGERS RD.....	T. M. SUTTON.....	"
PAPE & SAMMON AVES.....	S. McCUTCHEON.....	"
QUEEN & BATHURST STS.....	J. M. HOUSTON.....	"
QUEEN ST. & CARLAW AVE.....	H. A. CROSS.....	"
QUEEN ST. & KINGSTON RD.....	H. S. HADGRAFT.....	"
QUEEN ST. & RONCESVALLES AVE.....	M. R. HAY.....	"
RUNNYMEDE & ANNETTE STS.....	J. ANDERSON.....	"
ST. CLAIR & BOON AVES.....	W. W. FIELD.....	"
ST. CLAIR AVE. & RUNNYMEDE RD.....	F. W. CUMMINS.....	"
SILVERTHORN AVE. & ROGERS RD.....	M. J. GOULD.....	"
WELLESLEY & SHERBOURNE STS.....	K. H. LOVE.....	"
WEST TORONTO.....	W. E. CUSLER.....	"
WOODBINE & SAMMON AVES.....	A. D. LEWIS.....	"
431 YONGE ST.....	G. R. MURTON.....	"
1953 YONGE ST.....	A. H. WILSON.....	"
YONGE & BLOOR STS.....	J. B. PRIESTMAN.....	"
YONGE & QUEEN STS.....	J. F. SCARTH.....	"
AMHERSTBURG.....	W. A. PATTERSON.....	"
AURORA.....	H. M. MCKENZIE.....	"
BOLTON.....	W. A. GREENWOOD.....	"
BRANTFORD.....	D. SUTHERLAND.....	"
CALEDON EAST.....	(Sub Branch to Bolton)	"
CALEDONIA.....	M. G. COBURN.....	"
CHATHAM.....	N. B. CUMMINS.....	"
COBALT.....	E. T. CUTTLE.....	"
COCHRANE.....	L. R. ANDERSON.....	"
COTTAM.....	W. J. GOLDEN.....	"
CRAMPTON.....	(Sub Branch to Ingersoll)	"
CRYSTAL BEACH.....	(Sub Branch to Ridgeway)	"
ENGLEHART.....	R. E. TRACY.....	"
ESSEX.....	W. R. RODGER.....	"
FERGUS.....	F. T. KYLE.....	"
FONTHILL.....	G. L. GORDON.....	"
FORT WILLIAM.....	W. M. PORTER.....	"
GALT.....	T. R. RICHARDSON.....	"
HAMILTON.....	P. B. REEVE.....	"
HARROW.....	A. L. SONLEY.....	"
HEARST.....	G. MENUZ.....	"
HUMBERSTONE.....	F. R. WILSON.....	"
INGERSOLL.....	A. O. MURRAY.....	"
JELICOE.....	H. G. SCOTT.....	"
JORDAN.....	(Sub Branch to Vineland)	"
JORDAN STATION.....	(Sub Branch to Vineland)	"
KAPUSKASING.....	C. A. KEHOE.....	"
KENORA.....	A. M. OWEN.....	"
KIRKLAND LAKE.....	C. L. GRISDALE.....	"
KITCHENER.....	J. W. THOMSON.....	"
LISTOWEL.....	L. T. CHARLTON.....	"
LONDON.....	H. ROBERTS.....	"
MATHESON.....	J. BRAWLEY.....	"
NASHVILLE.....	(Sub Branch to Bolton)	"
NEW LISKEARD.....	J. S. INK.....	"
NEWMARKET.....	F. H. HEWSON.....	"
NIAGARA FALLS.....	JOHN THOMSON.....	"
" QUEEN ST.....	D. HUGHES.....	"
" SOUTH.....	J. H. ARKELL.....	"
" VICTORIA AVE.....	J. A. GROSKURTH.....	"
NIAGARA-ON-THE-LAKE.....	R. H. MONTGOMERY.....	"
NOBLETON.....	(Sub Branch to Schomberg)	"
NORTH BAY.....	J. D. PATTERSON.....	"
OTTAWA.....	J. WALKER.....	"
PALGRAVE.....	(Sub Branch to Bolton)	"
PORT ARTHUR.....	J. W. WILLIS.....	"
PORT COLBORNE.....	J. F. MACKAY.....	"
PRESTON.....	F. B. THOMSON.....	"
QUEENSTON.....	(Sub Branch to St. David's)	"
RED LAKE.....	(Sub Branch to Sioux Lookout)	"
RICHARDS LANDING.....	J. T. BEWS.....	"
RIDGWAY.....	C. A. HAMILTON.....	"
St. CATHARINES.....	E. J. BAKER.....	"
" EAST END.....	C. C. CASE.....	"
" MARKET.....	A. F. ROBERTSON.....	"
ST. DAVIDS.....	A. T. MINNIS.....	"
ST. THOMAS, EAST END.....	T. R. JONES.....	"
" WEST END.....	M. A. RICHARDSON.....	"
SANDWICH.....	E. B. REYNOLDS.....	"

SAULT STE. MARIE.....	F. C. TROTT.....	Manager
" GORE & QUEEN STS.....	R. B. WANSBROUGH.....	"
SCHOMBERG.....	E. SMITH.....	"
SIOUX LOOKOUT.....	J. A. HODDER.....	"
SOUTH PORCUPINE.....	F. E. COOPER.....	"
STAMFORD.....	C. W. GRIME.....	"
SUDBURY.....	W. G. CHAMBERS.....	"
THESSALON.....	W. MCGUIRE.....	"
THOROLD.....	J. R. HENLEY.....	"
TIMMINS.....	H. C. SCARTH.....	"
VINELAND.....	E. H. COLEMAN.....	"
WALKERVILLE.....	W. T. CARTHEW.....	"
" TECUMSEH ROAD.....	H. J. ARBUCKLE.....	"
WELLAND.....	J. H. ROLPH.....	"
WINDSOR.....	G. J. LACKNER.....	"
WOODSTOCK.....	L. R. LLOYD.....	"

PROVINCE OF QUEBEC

MONTREAL.....	A. R. B. HEARN.....	Manager
"	G. S. THOMPSON.....	Assistant
NORANDA.....	G. C. DUNLOP.....	"

PROVINCE OF MANITOBA

BRANDON.....	R. CARSON.....	Manager
GIMLI.....	(Sub Branch to Riverton)	"
PORTAGE LA PRAIRIE.....	H. M. SAMPSON.....	"
RIVERTON.....	J. C. E. WILLIAMSON.....	"
WINNIPEG.....	A. D. DUNCAN.....	"
"	J. BURGOYNE.....	Assistant
" ARLINGTON ST. & WESTMIN- STER AVE.....	C. E. BROWN.....	"
" NORTH END.....	T. J. SLATTERY.....	"
" ST. VITAL.....	R. S. McCLAY.....	"

PROVINCE OF SASKATCHEWAN

ASSINIBOIA.....	J. E. JOHNSON.....	Manager
BALGONIE.....	M. E. A. MARSHALL.....	"
BENGOUGH.....	C. D. HARDY.....	"
BRACKEN.....	L. J. BERGMAN.....	"
BROADVIEW.....	R. MAVOR.....	"
CANWOOD.....	D. C. HOWELL.....	"
CODERRE.....	O. L. KIMBALL.....	"
CREELMAN.....	J. M. MacLEAN.....	"
FORT QU'APPELLE.....	H. WILLSON.....	"
GOODWATER.....	R. L. WASSON.....	"
GRIFFIN.....	A. MacMILLAN.....	"
HAGUE.....	P. R. NEELY.....	"
HANDEL.....	K. N. ALLAN.....	"
HEPBURN.....	(Sub Branch to Hague)	"
LAIRD.....	L. L. MASON.....	"
MAYMONT.....	H. B. McLEISH.....	"
MEADOW LAKE.....	J. H. NELSON.....	"
MIDALE.....	P. R. CARTER.....	"
MOOSE JAW.....	A. S. ROSENROLL.....	"
MOSSBANK.....	J. GARRISON.....	"
NORTH BATTLEFORD.....	F. R. MUIR.....	"
PANGMAN.....	M. J. MONGEON.....	"
PIAPOT.....	G. W. STERLING.....	"
PRINCE ALBERT.....	J. W. McDIARMID.....	"
READYLN.....	J. A. TEMPLETON.....	"
REGINA.....	F. W. SCRIMES.....	"
ROCKGLEN.....	C. A. BLAD.....	"
ROSTHERN.....	P. C. F. ROUTLEDGE.....	"
SASKATOON.....	J. A. G. CLOKIE.....	"
SPRINGWATER.....	A. J. RICHES.....	"
STOUGHTON.....	H. I. SHAW.....	"
TRIBUNE.....	H. McLEAN.....	"
WEYBURN.....	H. J. MORGAN.....	"
WILKIE.....	W. P. GRAHAM.....	"
YELLOW GRASS.....	E. G. BROWELL.....	"

PROVINCE OF ALBERTA

ATHABASCA.....	J. G. DEACON.....	Manager
BANFF.....	W. V. GODDARD.....	"
CALGARY.....	J. A. WETMORE.....	"
" EAST END.....	H. J. HAYLOCK.....	"
DONALDA.....	E. REBURN.....	"
ECKVILLE.....	H. S. MANN.....	"
EDBERG.....	MARK COOK.....	"
EDMONTON.....	G. R. F. KIRKPATRICK.....	"
" NORWOOD BOULEVARD.....	L. S. MACKERSY.....	Assistant
" SOUTH.....	J. VEREKER.....	"
" WEST.....	J. M. KINNEAR.....	"
EDSON.....	H. W. HARRISON.....	"
FERINTOSH.....	H. C. MacDONALD.....	"
GRANDE PRAIRIE.....	J. MacGREGOR.....	"
JASPER.....	C. C. FAWCETT.....	"
MILLET.....	A. McKENZIE.....	"
NEW NORWAY.....	J. A. ENGLISH.....	"
RED DEER.....	J. A. BLACK.....	"
ROCKY MOUNTAIN HOUSE.....	J. BALLANTYNE.....	"
SANGUDO.....	S. G. HOOKER.....	"
SYLVAN LAKE.....	J. H. CLARK.....	"
WETASKIWIN.....	F. L. APPLETON.....	"
	H. W. WRIGHT.....	"
	A. FREESON.....	Assistant

PROVINCE OF BRITISH COLUMBIA

CRANBROOK.....	J. D. MCGILLIVRAY.....	Manager
FERNIE.....	H. L. REID.....	"
GOLDEN.....	F. P. THOMAS.....	"
INVERMERE.....	A. ASHWORTH.....	"
NATAL.....	G. B. TURNER.....	"
NELSON.....	W. R. GRUBBE.....	"
REVELSTOKE.....	W. K. WICKENS.....	"
VANCOUVER.....	W. M. SELLENS.....	"
" FAIRVIEW.....	K. ANDERSON.....	"
" HASTINGS & ABBOTT STS.....	C. G. T. HARCOURT.....	"
VICTORIA.....	J. H. D. BENSON.....	"

Imperial Bank of Canada

Principal Agents and Correspondents

CANADA.....	Bank of Montreal
GREAT BRITAIN...	{ Lloyds Bank Limited British Overseas Bank Limited Commercial Bank of Scotland Limited
IRELAND.....	{ The Munster & Leinster Bank Limited Northern Bank Limited
BELGIUM.....	{ Lloyds & National Provincial Foreign Bank Limited
FRANCE.....	{ Lloyds & National Provincial Foreign Bank Limited
GERMANY.....	Dresdner Bank
HOLLAND.....	Rotterdamsche Bankvereeniging
ITALY.....	{ Credito Italiano Banca Commerciale Italiana
NORWAY.....	Bergens Privatbank
SWITZERLAND.....	{ Lloyds & National Provincial Foreign Bank Limited
UNITED STATES...	NEW YORK—Bank of The Manhattan Com- pany Guaranty Trust Co. of New York Irving Trust Company National City Bank of New York BOSTON—National Shawmut Bank of Boston First National Bank of Boston BUFFALO—Marine Trust Company of Buffalo CHICAGO—Continental Illinois National Bank & Trust Co. First National Bank of Chicago CLEVELAND—National City Bank of Cleveland DETROIT—National Bank of Detroit The Manufacturers National Bank of Detroit DULUTH—First & American National Bank LOS ANGELES—Citizens National Trust & Savings Bank MINNEAPOLIS—First National Bank & Trust Company NIAGARA FALLS, N.Y.—Power City Trust Co. PHILADELPHIA—Philadelphia National Bank First National Bank PORTLAND—United States National Bank SAN FRANCISCO—Wells Fargo Bank & Union Trust Company SEATTLE—First National Bank of Seattle CHINA AND JAPAN. Hongkong & Shanghai Banking Corporation INDIA..... Lloyds Bank Limited AUSTRALIA..... { Bank of New South Wales NEW ZEALAND.... { Union Bank of Australia Limited SOUTH AFRICA.... Standard Bank of South Africa Limited SOUTH AMERICA.. { Bank of London & South America Limited Anglo-South American Bank Limited

Imperial Bank of Canada

PROCEEDINGS

OF THE

SIXTY-FIRST ANNUAL GENERAL MEETING OF THE
SHAREHOLDERS

*Held at the Banking House of the Institution in Toronto,
on Wednesday, 27th November, 1935,
at noon.*

The Sixty-first Annual General Meeting of the Imperial Bank of Canada was held at the Head Office of the Bank in Toronto, on Wednesday, 27th November, 1935.

Amongst those present were:—Col. G. H. Aikins, K.C. (Winnipeg), W. J. Aitchison (Hamilton), C. F. Bate, E. N. Bate, C. W. Beatty, A. M. Bethune, G. E. H. Booth, E. K. Boulton, Acton Burrows, A. R. Capreol, E. J. Case, William Charles, R. S. Clark, Ven. Archdeacon W. J. Doherty, H. W. Dow (Hamilton), Mrs. Anna Pearl Egan, W. J. Equi, A. E. Ferrie, W. J. Fleury, John Hadden, D. M. Harman, A. R. B. Hearn (Montreal), G. C. Heintzman, J. W. Hobbs, H. C. Houston, H. T. Jaffray, G. N. Kendall (Hamilton), A. M. M. Kirkpatrick, G. L. Lackner, Walter C. Laidlaw, W. H. Lamont, Charles E. Lee, C. S. Macdonald, Col. K. R. Marshall, A. R. Martin, W. A. Medland, Col. J. F. Michie, W. G. More, R. O. McCulloch (Galt), W. L. McDonald, Donald McGillivray (Port Colborne), John A. Northway,

Imperial Bank of Canada

A. L. Ogden, Col. E. B. O'Reilly (Hamilton), Col. J. Ewart Osborne, A. G. Parker, F. D. Norman Paterson, A. E. Phipps, N. E. Phipps, G. A. Peters, J. G. Ramsey, H. F. Rice M. A. Richardson (St. Thomas), H. Riley, Frank A. Rolph, A. C. Rome, Henry C. Roxborough, H. D. Scott, A. H. Seguin, H. E. Sellers (Winnipeg), G. B. Strathy, K.C., D. R. Strong, Charles Swabey, K.C., A. A. Thompson, R. W. Thompson, F. G. Venables, H. Frank Vigeon, R. S. Waldie, Charles Walker, J. Walker (Ottawa), John Watt, James S. Whicher (Caledonia), Peter White, K.C., T. H. Wood, David M. Woods, W. B. Woods.

The Chair was taken by the President, Mr. Frank A. Rolph. Mr. W. G. More was appointed to act as Secretary of the meeting, and Mr. Charles Swabey, K.C., and Mr. W. H. Lamont, were appointed Scrutineers.

The notice calling the meeting was read by the Secretary, and the Minutes of the last Annual General Meeting were taken as read and were confirmed.

Imperial Bank of Canada

The Directors' Report and Annual Statement were read by the Secretary as follows:—

REPORT

The Directors have pleasure in presenting the Sixty-first Annual Report and Balance Sheet of the business and affairs of the Bank as on 31st October, 1935, together with Statement of Profit and Loss Account showing the result of the operations for the year.

The balance at credit of Profit and Loss Account brought forward from last year was. . . \$ 595,775.18

Net profits for the year ended 31st October, 1935, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made and after deducting Provincial Taxes amounting to \$91,619.28 were..... 1,208,079.49

Making a total at credit of Profit and Loss Account of..... \$1,803,854.67

This amount has been appropriated as follows:—

Dividends at the rate of 10% per annum....	\$ 700,000.00
Annual Contributions to Officers' and Employees' Pension and Guarantee Funds....	47,500.00
Written off Bank Premises.....	250,000.00
Dominion Government Taxes paid and reserved.....	199,112.51
Balance of Account carried forward.....	607,242.16
	<u>\$1,803,854.67</u>

A Branch of the Bank was opened during the year at Jellicoe in the Province of Ontario. The Branches at Quebec City, P.Q., Benson, Halbrite and Lewvan in the Province of Saskatchewan were closed.

All offices of the Bank, including the Head Office, have as usual been carefully inspected during the year and the Auditors appointed by you have also made their examinations as required by The Bank Act. Their Report and Certificate is attached to the Balance Sheet.

Imperial Bank of Canada

Erection of the new Head Office Building at the south-east corner of King and Bay Streets in the City of Toronto was commenced in November a year ago. The Building is now well under way and it is expected will be fully completed and occupied early in the new year.

Your Directors have again much pleasure in bearing testimony to the zeal and efficiency with which the various officers of the Bank have discharged their respective duties.

All of which is respectfully submitted.

Toronto, 25th November, 1935.

FRANK A. ROLPH,
President.

PROFIT AND LOSS ACCOUNT

31st OCTOBER, 1935

Balance 31st October, 1934.....	\$ 595,775.18
Net profits for the year ended 31st October, 1935, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made and after deducting Provincial Taxes amounting to \$91,619.28.....	1,208,079.49
	<u>\$1,803,854.67</u>

Dividends at the rate of 10% per annum. \$	700,000.00
Contribution to Officers' Guarantee Fund	7,500.00
Contribution to Officers' Pension Fund..	40,000.00
Written off Bank Premises.....	250,000.00
DOMINION GOVERNMENT TAXES, including tax paid on circulation, and reserve for Income Tax.....	199,112.51
Balance of Account carried forward.....	<u>607,242.16</u>
	<u>\$1,803,854.67</u>

RESERVE FUND

Balance at Credit of Account 31st October, 1935.....	<u>\$8,000,000.00</u>
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FRANK A. ROLPH,
President.

A. E. PHIPPS,
General Manager.

Imperial Bank of Canada

SIXTY-FIRST ANNUAL

31st OCTOBER

LIABILITIES

Notes in Circulation.....	\$ 6,689,770.00	
Deposits by and balances due to Dominion Government.....	\$ 862,116.15	
Deposits by and balances due to Provincial Governments.....	2,799,195.18	
Deposits by the public not bearing interest.....	22,339,591.25	
Deposits by the public bearing interest, including interest accrued to date of Statement.....	88,673,698.87	114,674,601.45
Deposits by and balances due to other Chartered Banks in Canada..	\$ 1,718,312.44	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries.....	1,988,001.19	3,706,313.63
		\$125,070,685.08
Acceptances and Letters of Credit Outstanding.....	1,551,931.50	
Capital Paid Up.....	\$ 7,000,000.00	
Reserve Fund.....	8,000,000.00	
Dividends declared and unpaid.....	176,019.32	
Balance of Profits as per Profit and Loss Account.....	607,242.16	15,783,261.48

AUDITORS' REPORT TO SHARE-HOLDERS

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at 31st October, 1935, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, F.C.A.
of Peat, Marwick, Mitchell & Co.

D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

Toronto, 19th November, 1935.

\$142,405,878.06

Imperial Bank of Canada

BALANCE SHEET

1935

ASSETS	
Gold held in Canada.....	\$ 417.09
Subsidiary Coin held in Canada.....	378,182.38
Notes of Bank of Canada.....	4,264,915.00
Deposits with Bank of Canada.....	7,066,631.04
Notes of other Chartered Banks.....	296,730.00
Government and Bank Notes other than Canadian.....	57,467.72
	<u>\$ 12,064,343.23</u>
Deposit with the Minister of Finance for the security of note circulation.....	470,424.81
Cheques on other Banks.....	6,063,285.47
Deposits with and balances due by other Chartered Banks in Canada.....	613,018.71
Due by Banks and Banking Correspondents elsewhere than in Canada.....	2,563,154.80
	<u>\$ 21,774,227.02</u>
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value.....	\$ 1,280,378.45
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....	28,117,493.27
Canadian Municipal Securities, not exceeding market value.....	4,907,569.34
Other Bonds, Debentures and Stocks, not exceeding market value.....	126,584.04
	<u>34,432,025.10</u>
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	\$ 5,534,229.84
Loans to Provincial Governments.....	5,712,458.74
Loans to Cities, Towns, Municipalities and School Districts.....	5,639,163.57
	<u>16,885,852.15</u>
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for.....	60,640,424.26
Non-current Loans, estimated loss provided for.....	265,501.19
Real Estate other than Bank Premises.....	283,764.46
Mortgages on Real Estate sold by the Bank.....	419,450.89
Bank Premises, at not more than cost, less amounts, if any, written off.....	6,000,000.00
Liabilities of Customers under Acceptances and Letters of Credit as per contra.....	1,551,931.50
Other Assets not included under the foregoing heads..	152,701.49
	<u>\$142,405,878.06</u>

FRANK A. ROLPH,
President.

A. E. PHIPPS,
General Manager.

Imperial Bank of Canada

THE PRESIDENT'S ADDRESS

Gentlemen:

An eventful year has passed by since our last Annual Meeting in this room, and it is with considerable satisfaction that I present to you, on behalf of the Directors, the Annual Report. It shows a continuance of substantial progress, notwithstanding the many adverse factors with which the Bank has had to contend during the past twelve months.

My remarks will be brief, as Mr. Phipps will present the Bank's Statement covering the Fiscal year which has just closed.

NEW BUILDING

At our Meeting a year ago I said there was some hope of holding the Annual Meeting this year in our new offices. This was possible, but as the Building would not be entirely finished, it was not deemed desirable. It should be ready for us early in the New Year. On every hand we have been congratulated upon the appearance of our New Head Office. It is dignified, not extravagant, well-situated and has been constructed with the idea of taking care of the business of the Bank with ample room for expansion.

FEDERAL ELECTION

Last month we had a Federal election and the Liberal Party was elected under the leadership of the Right Honorable W. L. MacKenzie King. Whatever our political opinions may be, we should have a feeling of satisfaction and relief that a Party standing for sound principles and progressive ideas has been returned to power with a mandate to carry on the business of the country, and the large majority it has should inspire courage and confidence to carry out the great trust which has been given it. The gradual improvement in business conditions which has been noted during the past two years should now continue towards building up the prosperity of Canada.

TARIFF

The recent Tariff Agreement consummated between Canada and the United States is a subject of considerable controversy and while this will, no doubt, be of some assistance to the Canadian agriculturist, it will work some hardships on certain branches of Canadian industry. This matter,

however, I believe will be referred to by Mr. Phipps in his Address.

BANK CRITICISM

During the past few years, we have heard from platforms, and there has appeared in the press, criticism of Banks and Bankers, which has been most unfair. I do not mean to infer that the press has been unfair, but the views expressed by a few, to whom the columns of the press have been open, have abused the Banks in a manner which should call for some rebuttal. Bankers, I believe, are the most inarticulate class in the world—hence much of the criticism has gone unchallenged. So far as the press itself is concerned, it has been manifestly fair, and in editorials are now beginning to comment upon the criticism to which the Banks have been subjected, and in these editorials they are exhibiting a spirit of fair play, and asking for fair play, on behalf of the Banks, for which we thank them. The principal criticism to which we have been subjected has been that of withholding credit. It seems extraordinary to me that we should be criticized for this. The granting of credit is the principal business of a Bank, and the most profitable. Bank credit has been withheld in some cases, simply because it has been felt that credit has not been justified. We accept millions of money from depositors and it is our duty to take care of it. We loan this money to those entitled to the credit, and in the transaction we make a small percentage of profit for doing so. We can only loan money where, in the judgment of the Banks, it is going to be repaid. Why should we withhold credit if it is going to be to our advantage to grant it? And, why should we grant it if we feel that the money entrusted to us is not going to be returned? I might say that in many instances Bank Officers have been thanked for withholding credit to customers who would have lost heavily had they obtained the money for the purpose asked for. There is another point of view which the Banks hold in connection with this question of credit, and that is, why is there not more demand for credit to-day? Our industrialists are, no doubt, marking time, owing to the uncertainties due to the political situation in Canada and the world generally. The Banks, however, have plenty of funds available to make industrial loans and we would point out to those making criticism that anyone who can use Bank credit to advantage will find ample money to do so, provided justification for the loan can be seen.

Imperial Bank of Canada

I am pleased to note that at the recent Annual Meeting of the Canadian Bankers' Association the Retiring President, Mr. Jackson Dodds, expressed himself very clearly on this subject. I heartily concur in his conclusions.

I would like to close my remarks on this subject by quoting the following paragraph from an article by a Banker which appeared recently in the Financial Times and other newspapers—

"May I leave this closing thought with you; the Banks are sometimes accused by the public of withholding credit, but when one considers the manner in which they have weathered the storms and safeguarded your savings, is it not rather the public who are withholding credit due to the Banks for their public services. Think it over, and if some of you feel you could have been more helpful to your Banks, lend them a hand when others criticise. Knowing your innate sense of fair play, I feel confident of your co-operation."

I commend this thought to your consideration.

BUSINESS CONDITIONS

Some recent figures in connection with Canada's Trade received from Ottawa are most encouraging. I have only time for a few items. The total trade of Canada for the year ending September 30th, 1935, amounted to \$1,235,789,000 which was an increase over the 1932-33 period of 37.9% and an increase over the 1933-34 period of 8.8%.

Canada's Imports for the twelve months ending September 30th, 1935, amounted to \$539,256,000, an increase over the period ending September 30th, 1933, of 40% and an increase over the period ending September 30th, 1934, of 8.4%.

Exports are also quite impressive. For the period ending September 30th, 1935, they amounted to \$685,955,000, an increase over the year ending September 30th, 1933, of 35%, and an increase over the year ending September 30th, 1934, of 8.7%.

Canada's Trade Balance for the year ending September 30th, 1935, was favorable to the extent of \$157,276,000, which is an increase of \$16,571,000 over the same period last year.

Imperial Bank of Canada

Reports received from the Branches of the Bank are interesting and indicate a general betterment throughout the country.

In BRITISH COLUMBIA the major industries, Lumbering, Mining, Fishing and Agriculture, all continue on the upward trend. Government Revenues are higher, also the Vancouver City Tax Collections are ahead of last year. There is an increase in the Salmon Pack of 12%. Gold Mining is active. The unemployment situation is a serious factor in Vancouver, but, on the whole, business is better and promises to be better still.

In ALBERTA it is reported from Calgary that there is evidence of improved conditions in Agriculture, Live Stock and Manufacturing, and business in the city is considerably better than it was a year ago. The Wheat Crop in the Edmonton district has been disappointing, but otherwise business is holding its own. Owing to the new Social Credit government in the Province it is very difficult to foretell the trend of conditions at the present time. Alberta is more or less "marking time."

In SASKATCHEWAN conditions are somewhat similar to what they are in Alberta, leaving out the Social Credit complication. Conditions with the farmers are undoubtedly better, although in the Weyburn district, where we have a number of Branches, there is disappointment. After the promising outlook in the Spring which justified the farmers in expecting a profitable crop, the development of rust resulted in extensive damage. The continued fertility of the soil was, however, proven and it is with much satisfaction that we hear that the farmers still have faith in the district. If we could only get a normal crop the whole situation would be greatly improved. Financial conditions in the Province are satisfactory and the two Provincial issues, one of \$4,000,000 and the other of \$3,500,000 made since the middle of July last were readily subscribed for and indicate that confidence in the financial standing of the Province has not been impaired.

In MANITOBA we hear from Winnipeg that there has been a slight improvement in business conditions and that the purchasing power of the farmer is increasing. The crop is small in volume, and poor in quality, but prices are better,

Imperial Bank of Canada

and the opinion is expressed that the West has seen the worst of the depression and confidence is now being restored.

In ONTARIO the reports we have from the various centres are quite encouraging. Even in the hard-hit Essex district, there is a great improvement. The manufacturing districts in central Ontario all report increased activity and improved employment conditions. In Northern Ontario increased mining activity is in evidence and conditions generally throughout Northern Ontario are considerably improved and unemployment reduced.

Likewise in the Province of Quebec agricultural conditions show improvement and moderate increases in both volume and price are noted. Manufacturing (exclusive of building construction and railway equipment) has shown steady improvement during the year and the outlook is promising.

The Pulp and Paper industry has shown a considerable increase in production during the year, but the present price does not yield any return to our Canadian Mills. It seems extraordinary that one of our great natural resources (timber) is being reduced to Newsprint for the benefit of the United States' publishers. All efforts, so far to stabilize price and equalize production have been unavailing. It seems incredible that we should be depleting our forests for the benefit of the United States, with no profit to ourselves, while they are conserving their own against the time when ours shall have been exhausted. This is a matter in which the Provinces of Ontario and Quebec are jointly interested and now that the Governments of these two Provinces are of the same political faith, they should get together and have matters adjusted on a mutually profitable basis.

PUBLIC FINANCES

To sum up—while we feel greatly encouraged by the general improvement in business conditions, we cannot ignore the condition of our public finances. Our Governments, Federal, Provincial and Municipal are over-spending to an alarming degree and our debts are accumulating. We should, by every means in our power, endeavour to encourage a firmer stand on the part of our public leaders to control expenditures, so that we may get our Budgets balanced, and Taxes reduced. An encouraging item in connection with Federal Government financing since the present Government came into power was the Bond issue of \$75,000,000 at $2\frac{1}{2}\%$

Imperial Bank of Canada

and 3% which was very heavily over-subscribed inside of three hours—an indication of confidence which is reassuring. In conclusion, I would say conditions to-day justify me in saying that our watchwords should be CONFIDENCE and COURAGE.

STAFF PENSION FUND

Before closing I want to refer to one item which you will see mentioned in our Profit and Loss Account. It is the Staff Pension Fund to which the Bank has contributed \$40,000 per annum since the year 1918. The Directors were authorized by the Shareholders, at that time, to make such contribution to the Pension Fund as they saw fit, up to five percent of the salaries of those entitled to participate in the Fund. Since 1918 the number on the staff, and the total salaries, have increased over one-hundred percent, and we now find that the sum of \$40,000 which we have been contributing annually is inadequate and out of line with the changed conditions, and also out of line with the amount contributed by other Banks of similar size to our own. While there has not been any change made in the appropriation for the year just closed, I think it is altogether likely that next year you will be called upon to confirm a larger amount, which, if asked for, will, I feel, meet with your concurrence.

NEW HEAD OFFICE

This will be the last Annual Meeting to be held in this building. It is with a great deal of regret that we say goodbye to this old Head Office which has been occupied by the Bank since 1875. It has been a long period of time for us to have been in the original quarters. We have much to be thankful for and can look back with a great deal of satisfaction to the steady development of the Bank during these sixty years. We are looking forward to occupying the new Building and this compensates in a large degree for our regret in leaving the old.

On behalf of the Directors I would like to express our satisfaction to the Staff for the manner in which they have fulfilled their duties during the past year. They have done their work efficiently. I thank them one and all.

I beg to move the adoption of the Report and will call upon Col. Michie to second it, but before putting the Motion I will ask our General Manager, Mr. A. E. Phipps, to speak to you about the Balance Sheet and Profit and Loss Account.

THE GENERAL MANAGER'S ADDRESS

The profits for the year amounting to \$1,208,079.49 are approximately \$24,000 less than the profit shown in the 1934 statement. They have been applied to take care of the usual expenses of dividends, Guarantee Fund, and Pension Fund and \$250,000 has been written off Bank Premises and \$199,112.51 has been applied to Dominion Government taxes, including tax on circulation and Income Tax, an increase of nearly \$30,000 over last year's requirements in that respect. The amount carried forward is \$607,242.16, an increase of \$34,500.

My attention has been called to the fact that some newspapers emphasize the statement that the profits at \$1,208,000 equal \$17.26 per share which might very well give a wrong impression. Proper deductions from our profits would be the writing off from Bank Premises and the amount reserved for taxes. If this were done our profits would be about \$750,000 which would equal 5% on the Bank's Capital Reserve Fund and undivided profits, the total of which represents the Shareholders' investment in the Bank.

The Balance Sheet submitted is the first Balance Sheet published by any of the older Chartered Banks since the Bank of Canada came into operation and the 1934 Revision of the Bank Act and is interesting from that point of view. Consequently one cannot make direct comparisons with former Balance Sheets. For instance, the circulation which stands at \$6,689,770 compares with \$8,375,638 last year, the reduction being in conformity with the section of the Bank Act which restricts under penalty the circulation of the Chartered Banks to the amount of the paid-up capital. But for this restriction we would have experienced no difficulty in keeping our circulation up to last year's figure or above.

The deposits not bearing interest including Dominion and Provincial Government deposits are \$26,000,902 compared with \$21,100,482 a year ago, notwithstanding a decrease of \$2,636,000 in the amount of deposits by the Dominion Government due to the operation of the Bank of Canada, the relative figures being \$862,116 this year against \$3,498,177 last year.

The deposits bearing interest are \$88,673,698.87 compared with \$85,661,459.70 a year ago. The total deposits are \$114,674,601.45 compared with \$106,761,943.11 a year ago.

Imperial Bank of Canada

The other liabilities to the public consisting of Balances Due to agents in Canada and abroad amount to \$3,706,313 compared with \$3,337,776. The total liabilities to the public are \$125,070,685 compared with \$120,065,358, an increase of \$5,005,326.

Turning to the assets, Notes of Bank of Canada \$4,264,915 and Deposits with Bank of Canada \$7,066,631, the two totalling \$11,331,546 replace Dominion Notes which last year stood at \$9,283,913, an increase of over \$2,000,000 in this form of cash.

Adding our other cash assets we get a total of cash and cash deposited \$21,774,227. This is a slight reduction represented by \$2,000,000 deposited in the Central Gold Reserves in 1934 which has been used to reduce the circulation, as already referred to. The figures equal 17.4% of the liabilities to the public.

The Bank's holdings of Dominion and Provincial securities amount to \$29,397,671 compared with \$23,738,009 last year. The increase is quite substantial and is in keeping with the trend of investments of Canadian Banks generally.

The Canadian Municipal securities are down \$500,000 and stand at \$4,907,569 after allowing full depreciation. Other bonds, debentures, and stocks not exceeding market value \$126,584 are some \$28,000 below last year's figure. We do not make a practice of investing in securities other than those of the Dominion and Provincial Governments and first-class Municipalities.

The Call Loans in Canada at \$5,534,229 are \$1,500,000 down.

The loans to Provincial Governments at \$5,712,458 show an increase of \$2,700,000 and Municipal loans \$5,639,163 are \$1,900,000 down.

Adding together these totals, i.e., the cash holdings of \$21,774,227, the Securities \$34,432,025 and quickly realizable loans \$16,885,852 we get a total of \$73,092,104 cash and readily realizable assets equal to 58.4% of our liabilities to the public.

The current loans at \$60,640,424 are \$1,500,000 in excess of last year's figure. The current loans of the Bank have kept up very well, indicating that the Bank enjoys a good

Imperial Bank of Canada

measure of the commercial business of the country. The current loans have been carefully reviewed and full provision made for all bad and doubtful debts.

The remaining assets call for no particular comment, the Bank Premises account at \$6,000,000 being unchanged from last year although you will note in the Profit and Loss Account \$250,000 was written off out of profits.

BRANCHES

The Branches of the Bank now total 195. During the year a Branch has been opened at Jellicoe in one of the mining districts of Ontario and we have closed the Branch offices at Quebec City and at Lewvan, Halbrite, and Benson in Saskatchewan.

SHAREHOLDERS

The shareholders of the Bank now total 2,610 compared with 2,652 a year ago. The shares held by residents of the United States number 8,845 divided amongst 330 shareholders compared with 8,765 and 343 shareholders last year.

STAFF

The staff of the Bank totals 1,329 compared with 1,351 a year ago. I would like to associate myself with what the President has said about the staff. They are a fine lot of men and women and the results are the best evidence that they have worked hard and faithfully through all these difficult times.

NEW BUILDING

I am sorry that the new building is not ready for to-day's meeting but the simple fact is that owing to the difficulties encountered in making two buildings into one while the Branch still carried on it has not been found possible to complete the edifice in time. We are looking forward to opening it as soon as we can.

BANK OF CANADA

The Bank of Canada opened for business on 11th March last and so far its establishment has had no spectacular influence on the situation of the Chartered Banks. We have all had to immobilize 5% of our deposit liabilities in Canada in the form of notes of the Bank of Canada and deposits in the Bank of Canada for which we receive no interest, the

limit of our circulation has been reduced and will be still further reduced from time to time, all of which is having a moderate effect upon the earning power of the Chartered Banks. On a previous occasion I remarked that the Canadian Banks have always been able to adjust themselves to circumstances and it is now being demonstrated that such is the case.

INTEREST RATES

Interest rates have been still further depressed during the year largely through pressure from Ottawa for reduced rates on Government borrowings and also by legislation limiting the maximum interest which may be charged on loans. There has also been a substantial reduction in interest on borrowing accounts by reason of the reduction in the interest paid on Savings deposits from 3% to 2% a little more than a year ago. In my opinion interest rates have been pushed down far enough. We can understand the desire of our governing bodies to force the interest rates down on their borrowings but inevitably this reduction falls on the investors who buy their bonds and the people who invest their savings in Bank deposits, life insurance, and what not, thus penalizing thrift and discouraging the saving of money which has always been looked upon as such a desirable habit heretofore. Surely money the same as any other commodity is worth reasonable wages or rent, if you like to put it that way.

It is a matter of much regret that world politics continue in rather a delicate balance, a War now going on, even though on a restricted scale, and financial sanctions being actually applied to one of the major powers. With upheavals in so many lands it is more and more impressed upon us how fortunate we are to be a part of the British Empire which has been able to not only survive and hold its place among the Nations but to take a lead in efforts to maintain peace in other countries. One of the expressions of nationalism since the World War has been in the form of extreme restrictions on international trade to a point where it is often reduced to nominal proportions through prohibitive tariffs. The Empire Trade Agreements and more lately the reciprocal treaty with the Government of the United States constitute a gleam of light and indicate that among the English speaking races at least the commencement of a real effort to break down the barriers and resume trade on a more open basis.

Imperial Bank of Canada

May their efforts meet with every success. In this respect there is encouragement in the fact that in both Great Britain and in Canada new Governments have been set up under experienced leaders and with majorities sufficient to ensure a continuance of definite policies for some years ahead.

Just a few remarks upon some of the features of Canadian business in which your Bank is most directly interested.

The latest crop report of the Dominion Bureau of Statistics estimates the yield of wheat at slightly lower than 1934, which was considerably below the average for the past ten years. It is computed that owing to the selling policies of the last few years Canada is in the unique position of holding about half of the total visible supply of wheat and exports of this commodity still continue unsatisfactory. In contrast to this situation there has been a pronounced gain in our shipments of livestock, especially livestock going to the United States market. These shipments and the export of other products of agriculture together with those of certain commodities coming under the new reciprocal treaty, should prove a substantial advantage to the agricultural interests and to the position of Canada's trade as an exporting country.

Lumber operations which have been far from satisfactory should also be stimulated as should the export of certain lines of fish, principally fresh water fish, and the product of the Pacific Coast fisheries. Generally we may look forward to an increasing volume of Canadian exports of primary products.

The mining of precious metals continue to expand and the demand for electric power appears to have fully recovered from the depression, new records being set in recent months. Building continues much below the pre-depression years but has shown a substantial gain over 1934, indicating some returning degree of confidence in the future of property values. Automobile sales, both domestic and export, have been the best for some years. Freight traffic on the railways shows only a nominal gain over last year but the margin of net earnings has improved. A study of recent export figures discloses striking gains in the export of farm implements and other machinery, in aluminum and in artificial silk and other processed manufactured lines. It is possible that these exports may be adversely affected by the new treaty.

Imperial Bank of Canada

Against these favorable developments we have the unsatisfactory state of our public finances which has been dealt with by the President and which I am only alluding to here but by and large there seems to be no doubt that the country's business is steadily, if slowly, improving. Let us hope that it may continue to do so.

An interesting summary of the depression is to be found in the figures of our own annual statements over the period. 1929 was the peak year with the Bank's earnings at \$1,561,000, its deposits at \$122,000,000 and its loans at over \$80,000,000. In 1930, the first year of the decline, the profits were \$1,424,000, the deposits were \$114,000,000 and the current loans \$68,000,000 odd. By 1932 the profits had shrunk to \$1,205,000 and the deposits were down to \$99,000,000 and the current loans to \$57,000,000. Last year, 1934, the profits had risen to \$1,231,000, the deposits had risen to \$106,000,000 and the current loans to \$59,000,000 and this year, to repeat what I have already said, though the profits are still only \$1,208,000 the deposits have increased to \$114,000,000 and the current loans are up to over \$60,000,000. I would think that the figures of other Banks are probably comparable with these and if figures mean anything at all it means that as far as the business of banking is concerned we reached the bottom of the hill about two years ago and now are working upwards again. I repeat that I trust that this will be found to be the case.

THE PRESIDENT: I now beg to move, and will ask Colonel Michie to second, that the Report which has been read be adopted, printed and circulated amongst the Shareholders.

COL. J. F. MICHIE: I beg to second the motion.

The Report was then unanimously adopted.

It was moved by Mr. John Watt, seconded by Mr. Charles Walker, and resolved:—

That A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell & Company, and W. D. Glendinning, C.A., of Glendinning, Gray and Roberts, be appointed Auditors of the Bank for the ensuing year at a remuneration not to exceed \$10,000.

It was moved by Col. K. R. Marshall, seconded by Mr. C. S. Macdonald, and resolved:—

Imperial Bank of Canada

That the thanks of the Shareholders are due and are hereby tendered to the President, Vice-Presidents and Directors of the Bank for their services during the past year.

Mr. R. S. Waldie replied.

It was moved by Mr. Donald McGillivray, seconded by Mr. F. G. Venables, and resolved:—

That the thanks of the Shareholders be given to the General Manager, the Assistant General Manager and other officers of the Bank for their attention to the interests of the Bank and for the efficient performance of their respective duties.

Mr. James Walker, Manager, Ottawa Branch, and Mr. W. M. Sellens, Manager, Vancouver Branch, suitably replied to the Resolution.

It was moved by Mr. W. J. Fleury, seconded by Mr. Wm. Charles:—

That the ballot box be now opened and remain open until two o'clock this day for the receipt of ballot papers for the election of twelve Directors, the poll to close as soon as five minutes shall have elapsed without a vote being tendered.

The Scrutineers subsequently reported the following having been duly elected Directors for the ensuing year:—

Frank A. Rolph, Col. J. F. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, A. E. Phipps, G. H. Aikins, K.C., H. E. Sellers, R. O. McCulloch, and W. B. Woods.

The meeting then adjourned.

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WE maintain direct relations with leading Banks in Great Britain, the United States and other countries throughout the world, and are thereby enabled to afford our customers a most comprehensive Foreign Banking Service.

We are extensive dealers in
STERLING, UNITED STATES
AND OTHER
FOREIGN EXCHANGES

and through our private wire connections with important financial centres are able to quote the best possible rates.

Information or advice regarding the financing of imports and exports will be gladly furnished by Branch Managers or by the

BRITISH & FOREIGN DEPARTMENT

HEAD OFFICE:

TORONTO

H. D. SCOTT, Manager



